

1.0 PROJECT DESCRIPTION

1.1 INTRODUCTION

Venoco, Inc. (Venoco) is a privately held, independent oil and gas company that has filed an application with the California State Lands Commission (CSLC) to expand oil development on PRC 3120.1 and 3242.1 from Platform Holly off the coast of Santa Barbara County and install a new pipeline from the Ellwood Onshore Facility (EOF) connecting to the existing All American Pipeline at Las Flores Canyon (Project). Figure 1 provides Venoco's Ellwood operation oil and gas facilities and lease locations as they presently exist and Figure 2 provides an aerial view of the facilities. This document provides a description of the proposed Project, its location, and its various components. Subsequent sections describe potential alternatives to the proposed Project, the Environmental Impact Report (EIR) scope, potential environmental impacts that would be addressed in the EIR, and the criteria that would be used to develop mitigation measures necessary to reduce potentially significant impacts to a less-than-significant level.

1.2 PROJECT OBJECTIVE

The objective of the Project being proposed by Venoco is to extend the oil and gas lease boundaries of PRC 3120.1 and 3242.1, and drill up to 40 new wells from Platform Holly, provide for safety improvements and upgrades at the existing Ellwood Onshore Facility (EOF), and eliminate all operations at the Ellwood Marine Terminal (EMT) by the installation of a new onshore pipeline system.

1.3 SETTING

Existing Venoco leases, properties, and associated facilities for the Ellwood operation include the following: State leases PRC 3120.1, PRC 3242.1, PRC 3904, and PRC 421, fee title land at the Ellwood Onshore Facility (EOF), Platform Holly on PRC 3242.1, Ellwood Marine Terminal (EMT) offshore lease (PRC 3904), Interconnecting Pipelines, Ellwood Pier, and Access Road Easement to PRC 421. In addition to these Ellwood facilities, there is an existing 24-inch All American common carrier pipeline located near the entrance to the Las Flores Canyon located approximately eight miles west of the EOF that is an integral part of the proposed Project. The following provides a brief description of the existing facilities that are components of the proposed Project.

Platform Holly

State lease PRC 3120.1 was acquired by Richfield and Mobil in 1964; and State lease PRC 3242.1 was acquired by Richfield and Mobil in 1965. Venoco acquired state leases PRC 3242.1 and 3120.1 in 1997.

Platform Holly was built on PRC 3242.1 in 1966 to produce the reserves from the Rincon formation and has been in continuous operation ever since. Platform Holly was purchased from Mobil Oil by Venoco in 1997 when it acquired state leases 3242.1 and 3120.1. There is no formal documentation of the original criteria used in the structural design of Platform Holly. However, while the original design of the structure is undocumented, industry guidelines for maintenance and inspection have been followed over the years. The original structure was designed using engineering principles and applicable codes that were in use at the time.

A 500-year seismic analysis was conducted for Platform Holly by Mobil in 1996. The study results indicated that the platform, with minor repairs, would withstand a 500-year seismic event. The repairs were completed in 2004 and were formally approved by the CSLC.

Platform Holly is a self-contained, triple-decked, oil drilling and production platform. Production and control equipment, drilling systems and living quarters have all been revamped in recent years. The platform sits in about 211 feet of water. The boat landing on the platform is at approximately 14 feet and a heliport pad is at approximately 81 feet above sea level. Presently, 30 well slots exist on the platform.

The platform produces oil/water emulsion and natural gas that are separately transported via two 6-inch subsea pipelines to the EOF. Some of the water in the oil/emulsion may be separated on the platform and re-injected into the Monterey formation via water injection wells. The gas is compressed and then dehydrated through a glycol absorption treatment system on the platform.

Production rate on the platform has reached as high as 17,000 bbls of wet emulsion (11,000 bbls of oil and 6,000 bbls of water) per day. Platform Holly is currently permitted at a production rate of 20,000 bbls of oil emulsion per day and 20,000 MCFD gas. Current production on the Platform is approximately 4,100 bbls of oil per day, 11,000 bbls of water per day and 4,700 MCFD of gas. Cumulative production from Platform Holly since it was set in 1966 has been 64.8 million standard barrels (MMSTB) of oil and 59.1 billion standard cubic feet (BCF) of gas, as of December 31, 2004.

Of the thirty wells on Platform Holly, twenty four are currently oil/water emulsion and water producing, two are for gas injection and production, three are idle, and one is temporarily abandoned. The number of producing and idle wells would change over time based upon well workover programs and reservoir characteristics. Well operations change as needs change; for example, at some time in the life of the platform, all 30 wells were producing. The producing wells currently draw primarily from the Monterey and Rincon formations. The gas injection wells are completed in the Rincon formation and are used when the EOF is not able to treat all of the gas production. The primary operations on Platform Holly are production, well maintenance and workover operations, oil, water and gas separation, emulsion shipping, vapor recovery, and gas compression and shipping, gas dehydration, and gas lift compression.

Ellwood Onshore Facility

The EOF property is located in western Goleta near the intersection of U.S. 101 and Hollister Avenue. Surrounding land uses include Sandpiper Golf Course to the south and east; Pacific Ocean to the south; Southern Pacific Railroad, Hollister Avenue and U.S. 101 to the north; and, Bell Creek and the Bacara Resort and Spa to the west. The facility is located on a 4.5-acre triangularly shaped parcel (APN 079-210-042) enclosed by chain-link fencing. The north and west sides are partially screened by low trees and a screening wall. A helicopter pad is located on the southwest corner of the property. Approximately 80 percent of the site is occupied by oil and gas treating equipment. Access to the facility is via an existing unnamed city road from Hollister Avenue.

The existing EOF is an oil treating facility with the capability to treat 20,000 Barrels of Oil per Day (BOPD). Historically, production has reached over 11,000 BOPD from Platform Holly (Leases PRC 3120.1 and PRC 3242.1). Current permit limits restrict throughput to 13,000 BOPD if the oil is transported by barge. If production were to be transported by pipeline, the production limit would be 20,000 BOPD. As part of the existing production activities, the oil treating facilities include the following: remove produced water from the crude oil/water emulsion; reduce the hydrogen sulfide content in the treated crude oil to 70 parts per million on weight basis (ppmw) or less; inject the produced water into an

onsite disposal well; and, deliver the dry crude oil to the EMT through an underground 10-inch diameter Department of Transportation (DOT) regulated common carrier pipeline (Line 96).

A 6-inch subsea oil/water emulsion pipeline transports crude oil or a crude oil/water emulsion from Platform Holly to the EOF. Automatic shut-off valves are installed both on Platform Holly and at the EOF to terminate flow of emulsion to the facility in case of an emergency. Provisions are made at Platform Holly and the EOF for internally scraping the pipeline to remove accumulated waxes and asphaltic materials. The pipeline is periodically inspected with a "smart" pig to evaluate pipeline integrity. The crude oil/water emulsion 6-inch pipeline is received at a pressure between 72 and 80 psig.

A separate 6-inch subsea pipeline transports the produced gas from Platform Holly to the EOF at pressures between 110 and 160 psig. Automatic shutoff valves are installed both on Platform Holly and at the EOF to terminate flow of gas to the facility in case of emergency. Provisions are made at Platform Holly and the EOF for removal of accumulated water from the pipeline using cleaning pigs.

Seep gas collected through an existing 8-inch seep gas gathering pipeline is routed to the EOF for treating. Two seep tents, located approximately one mile south-east of Platform Holly are designed to collect seep gas and the associated oil. The two seep gas collection tents are installed side by side in approximately 220 feet of water and are connected by a 6-inch gas hose and a 6-inch oil line originally installed for the collection of trace amounts of oil. The tents are installed on the sea floor directly over areas of naturally occurring gas seeps. The gas and a trace amount of oil bubble up from the ocean floor and are captured in the tents. The tents were originally designed to separate the trace amounts of oil and the gas, directing the gas into a 6-inch gas hose, which leaves the southern seep tent and connects to the 8-inch seep gas gathering line. Captured oil was to be removed periodically by using the 6-inch oil line and directing the oil flow into a portable tank brought to the site for that purpose. This procedure was attempted in the past by previous field operators, with no success in recovering oil. As a result, no recent attempts have been made to recover oil from the tents, and there are no plans to do so in the future.

Treated gas is sold to The Gas Company (formerly known as the Southern California Gas Company) at a pipeline tie-in point approximately 1 mile due west of the EOF through a 6-inch diameter DOT regulated gas pipeline. This gas is delivered at a pressure of approximately 1,000 psig and contains concentrations of less than 4-parts per million on volume basis (ppmv) H₂S and less than 3 percent CO₂.

Ellwood Marine Terminal

The EMT is located on an approximate 17-acre parcel leased by Venoco from the University of California. The property is a short distance northwest of Coal Oil Point. Vehicular access to EMT is via Storke Road and a paved unnamed service road south of Ocean Meadows Golf Course. The EMT infrastructure consists of the following:

- Two 80,000 barrel, riveted construction, floating-roof oil storage tanks. These tanks were erected in 1929 and were renovated in 1977 by replacing the bottoms, repairing the roofs (single deck), installing new double roof seals and a freely vented domed roof, and sandblasting/painting the exterior surfaces. Additional renovations were made in 1983, replacing the double roof seals on the tanks. In 2005 both tanks received repairs to the internal floating roofs and bottoms. In 1991, one of the two tanks was retro-fitted with a double bottom. Each tank now has a working capacity of 65,000 barrels.
- A SCADA metering system on the incoming oil pipeline.
- One 10,000 barrel, bolted API firewater tank erected in 1950. Netting was installed to replace the existing roof in 2002.

- A pump house with two electrically driven pumps (400 horsepower total) capable of loading the offshore barge at an average rate of 4,200 barrels of oil per hour (BOPH).
- A marine loading line, 12-inch diameter to the beach, and 10-inch diameter line offshore from the beach to mooring area, with 8-inch diameter rubber hose connectors.
- An offshore irregular six point mooring system for barge operations located in approximately 60-foot water depth, 2,600 feet from shore. Each mooring (can) buoy is approximately 7 ft. OD x 10ft. long.
- Two 12-inch diameter temperature compensated meters with net and gross head printers.
- One 30-inch Diameter Sphere Buoy.
- One Hose Marker Buoy.
- 2.375-inch Diameter City Water Supply Pipeline.

The existing terminal handles all of the oil production from the South Ellwood field. The terminal has an average barge loading rate of 4,200 BPH and a maximum barge loading capacity of 56,000 barrels.

The CSLC is currently in process of preparing an EIR for a lease extension to year 2013 and anticipates the document be circulated for public review in the Summer 2006. The onshore facilities are currently under lease with UC Santa Barbara, which the lease is set to expire in 2016.

Pipelines

Figure 3 provides a graphic of existing pipeline connections associated with the Ellwood facilities and include the following:

- Platform Holly Oil Pipeline is a 6-inch pipeline approximately 16,000 feet in length that transports the oil/water emulsion from Platform Holly to the EOF.
- Platform Holly Produced Gas Pipeline is a 6-inch pipeline approximately 16,030 feet in length that transports the produced gas from Platform Holly to the EOF,
- Line 96 is composed of approximately 16,231 feet of 10-inch pipeline that transports crude from the EOF, through the 6-inch Venoco Ellwood Onshore Oil Transfer Pipeline, and into the EMT. Line 96 is a common carrier oil pipeline owned by the Ellwood Pipeline Company
- Venoco Ellwood 6-inch Onshore Oil Transfer Pipeline is composed of approximately 1,103 feet of 6-inch pipeline that transports crude from the 10-inch Line 96 to the EMT.
- EMT Loading Line consists of 12-inch and 10-inch pipe totaling approximately 3,600 feet and approximately 240 feet of an 8-inch hose.
- Ellwood Sales Gas Pipeline is a 6-inch pipeline approximately 3,600 feet in length that transports sales gas from the EOF to The Gas Company metering station.

1.4 PROJECT COMPONENTS

The following provides an overview of the various components of the proposed Project.

1.4.1 Lease Extensions of PRC 3120.1 and 3242.1 and New Drilling Wells

Pursuant to Section 6872.5 of the Public Resources Code, Venoco proposes to adjust the boundaries of its existing oil and gas leases to encompass the eastward section of the South Ellwood field as shown in Figure 4. Based upon preliminary review of the Project, it appears that the proposed Project may meet the conditions detailed in PRC 6872.5 that allow for the CSLC to approve a lease boundary extension. Specifically these are:

1. The lease boundary adjustment would effectuate a more efficient utilization of State resources.
2. The proposed project would not increase the number of platforms.
3. The proposed project would not require the construction or major modification of a refinery.
4. The proposed project is the environmentally least damaging feasible alternative for the extraction and production of the affected resources.

All new wells would be drilled using the existing 30 quantity wellslots and no new conductors would be required. A total of up to 40 wells would be drilled; however, the maximum number of wellslots (30) would remain the same. An example location of these wells consist of the following:

- Three infill wells on the existing PRC3120 and 3242 leases
- Seven wells on the proposed lease extensions
- Five wells in North Flank fault block,
- Two wells in the Eagle Canyon fault block
- Three wells to the Lower Sespe on PRC3120
- Twenty mechanical replacement wells

Drilling activity would commence concurrently with the facility upgrades at Ellwood. This would most likely occur between 2008 and 2010. The first wells to be drilled would be wells in the North flank and infill wells. The lease extension and Eagle Canyon wells would most likely be drilled starting in 2012. The mechanical replacement wells would commence in 2015 and would likely include one or two replacement wells per year until 2030.

Platform Holly was designed to withstand a 500-year seismic event. Recent analysis conducted by Venoco and Mobil found Platform Holly to still meet these required standards. If the CSLC requires the platform to be structurally upgraded for the lease boundary extension, Venoco would work with the CSLC to satisfy this requirement. The proposed structural up-rating calculations would take into account the new loads associated with drilling of wells in the lease extension.

At this time, it is not known what structural upgrades, if any, would be required to support the lease boundary extension. In conjunction with the preparation of an EIR, an assessment of the existing jacket structure as defined by Section 17 of API RP2A (*Planning, Designing, and Constructing Fixed Offshore Platforms*) would be performed, with the CSLC oversight. After CSLC acceptance of findings, retro-fit upgrade of the platform structure, if required, would be designed and submitted to CSLC for approval.

Based upon anticipated drilling schedule, it is expected that the Platform Holly oil output rate would peak at roughly 12,600 BOPD around 5 years after start of the project, and then decline slowly after that. The Platform water rate is expected to increase to up to about 11,300 BWPD at about 5 years and then slowly increase for the remaining life of the project. Total emulsion to shore would continue to be at or below 20,000 BPD. Platform gas production would peak at about 13 MMSCFD at about 5 years and then start to decline.

Production rates are governed by depletion of the reservoir. Ultimate life of the reservoir is subject to uncertainty, due in part to unknown variables, which include size, and ultimate yield of the reservoir, oil and gas prices, future drilling costs, lift costs, future abandonment costs, and other market conditions.

1.4.2 EOF Operations

The proposed Project would provide environmental and safety upgrades to six existing systems at the EOF: 1) Sulfur Separation, 2) CO₂ removal, 3) LTS (Low Temperature Separation), 4) Gas Compression, 5) Controls and Monitoring, and 6) LPG and NGL storage. In addition, the proposed Project would install a new power generation system incorporating waste heat recovery and retro-fit installation of low NO_x burners on the existing burner. Modifications to the EOF may be performed concurrently with installation of the new onshore oil pipeline (see Section 1.4.3 below) and work would be confined to the existing facility with no expansion beyond the current site footprint.

1.4.3 New Onshore Pipeline

As part of the proposed project, the oil produced from Platform Holly, once processed, would be transported for sale to refineries through a pipeline. The installation and use of a new onshore pipeline to connect to the All American Pipeline Limited Partnership's (AAPLP) Coastal Pipeline (All American Coastal Pipeline) at Las Flores Canyon would allow for the abandonment of the existing Ellwood Marine Terminal. Figure 5 depicts the proposed routing of the new pipeline on USGS backgrounds. The new pipeline to Las Flores Canyon would use existing Venoco, Inc. equipment and resources at the EOF to the extent practicable. "Delivery facilities" would be constructed at the AAPLP pump station in Las Flores Canyon to allow the injection of Venoco's produced oil into the 24-inch common carrier All American Coastal Pipeline for transportation to destinations downstream of the Gaviota Pump Station.

The proposed Ellwood Las Flores Pipeline System includes approximately 9 miles of 10-inch diameter pipe manufactured in accordance with API specification 5L. The pipeline would be coated with fusion bond epoxy and covered with polyethylene outer wrap tape. Raychem shrink sleeves, or equivalent, would be applied to all pipe field joints. The pipeline would be cathodically protected and would have motor operated/remotely monitored block valves and associated check valves.

To minimize possible impacts to sensitive coastal resources and to reduce the level of post construction restoration efforts, the pipeline would be routed within existing road rights-of-way and adjacent to existing water, gas, and electric utility services for an approximate 90 percent of its length. There is an existing SoCal Gas pipeline corridor along much of the proposed pipeline route, and where appropriate, it is proposed to locate the new pipeline as close to the SoCal Gas pipelines as allowed, by existing right-of-way agreements and Federal and State regulations.

About 2.7 miles of the pipeline route passes through existing orchards or fallow fields. It is intended to route the new pipeline utilizing existing orchard service roads so as to minimize impact to any existing trees.

The Ellwood Las Flores Pipeline System would begin within, or immediately adjacent to, the EOF at a 10-inch scraper trap with a 16-inch launcher barrel. It would be connected into the existing 10-inch pipeline, which is currently utilized by Venoco, Inc. to ship oil to the EMT storage tanks. The new 10-inch diameter pipeline would be installed within the existing pipe rack and Line 96 ROW to a point immediately outside of, and adjacent to, the secondary EOF entrance gate, located to the East of the main plant facility. A horizontal directional drill would be used to cross the railroad tracks, Highway 101, to a point in Calle Real, a the Highway 101 frontage road.

Once the pipeline is in Calle Real, the route would then traverse fallow fields (former avocado orchards) and cross via directional drilling the two fingers of Dos Pueblos Canyon Creek. Block valves would be installed on the upstream and downstream side of these creek crossings.

The route would follow existing gas pipeline rights-of-way across an avocado orchard where it would again be placed within an existing roadbed. At El Capitan Ranch, it would be directionally drilled across the stream bed (Cañada Del Capitan) and campgrounds. It would then cross open grazing lands and be placed within existing roadways across Cañada Del Corral to its terminus at the delivery facility.

Mainline Block Valves (MBVs) would be installed at the start of the pipeline (at the EOF facility) and at the terminus with AAPL. In general, 49 CFR 195.260 additionally requires mainline block valves at each side of water crossings that are more than 100 feet wide. As a consequence, additional block valves would also be installed west of Tecolote Creek, at each end of the directional drill crossing under Dos Pueblo Canyon and Seville Road, and another pair of block valves would also be installed on each side Cañada Del Capitan.

A pipeline leak detection system would be installed. It is proposed to utilize a pressure and temperature compensated flow-metering system with meters at each end of the pipeline. In addition, low pressure switches would be installed to monitor for low pressure in the pipeline. The inlet and outlet flow rates would be computed and compared to each other continuously by a PLC or computer. In the event of a pre-determined deviation between the inlet and outlet flows, or a substantial loss of pressure at either end, the pipeline would be automatically shutdown and blocked in.

Once started, the pipeline installation project would require approximately four months to complete, typically proceeding 300 to 500 feet per day.

1.4.4 Offshore Improvements and Platform Holly

New Power Cable and Waterline Repair

When Platform Holly was first designed, the sub-sea cable was rated for 200A at 16.5kV. Over time this cable has been derated to 185A. Currently, Holly draws 115 amps at 16.5kV under normal operation. New upgrades on the platform would raise the required power on the platform. These upgrades include conversion of the power required to support drilling from natural gas to electricity. Power for the drill rig would come from EOF via an upgraded sub-sea cable. It is anticipated Holly would require 310A from the current sub-sea cable. Because of the increased current draw, a new sub-sea cable needs to be installed.

The replacement power cable would be designed to operate at 16.5 kV, with conductor size of 250 kcmil. Using this cable connected to the appropriate distribution equipment would have an ampacity of approximately 350A (10 MVA transformer FLA) with a voltage drop of less than 1%. This would provide sufficient power for existing equipment and proposed upgrades. In addition, the replacement cable would incorporate integral fiber optic and hard wire communication cables, which would allow for transmission of voice and data signals to shore.

The anticipated life of any offshore power cable is subject to many variables, which make long-term life difficult to forecast. These variables include the quantity and severity of voltage transients, loading profile, physical damage, and physical installation stresses. Manufacturers typically only warranty new cables for a period of one year. However, compared to cables which were installed in the Santa Barbara Channel 20 years ago and rated for a 20 year design life, today's cables are manufactured with better dielectric insulating materials, improved manufacturing controls and stronger armor. It is Venoco's intention to include a cable with a design life goal of 40 years.

Electrically, the new sub-sea cable would need new and safer equipment to handle the new loads required by Holly. The existing 12.47 kV/16.5 kV auto-transformer would be replaced with an existing 10MVA substation 12.47 kV/16.5 kV step-up transformer with its secondary side connected to a new circuit breaker with the necessary protective devices. At the platform, the new cable would terminate at an existing disconnect switch.

The existing power cable would be abandoned in place. It is then proposed to excavate a trench in the existing 40-foot roadway easement to the beach. The new cable would then be direct-buried across the shore crossing and then laid generally parallel to the existing cable and existing pipelines to the platform. A new 8-inch I-tube riser and cable hangoff would be installed to support the cable connection to the platform.

Onshore installation of the cable would involve conventional trench excavation techniques, consisting of backhoe trench excavation and lying of direct-bury cable. The trench is expected to be 4 feet deep by 2 feet wide x 1000 feet. The trench would be backfilled and surface re-compacted to match existing conditions. The general time frame for the shore side installation of the cable is expected to take two weeks, and would be coordinated with the offshore cable lay portion of the work so as to minimize any "open hole" time. Within the cable right-of-way across the golf course, the work would be scheduled such that the amount of construction activity is compressed to less than 5 days of excavation activity; and where work must be suspended overnight or for any days of inactivity the trench would be plated over with temporary covers.

Once the cable is laid to the beach, it would be sand-jetted into a trench across the surf zone, using a sand jetting sled or water jetting tool. Once offshore, the cable would be laid using a conventional cable-lay barge. Alternatively, depending upon resource availability, a dynamically-positioned cable reel vessel may be used to lay the cable.

As part of the proposed project, the existing 2-inch utility waterline that runs from the EOF to Platform Holly would be repaired and placed back into operation. This pipeline was installed in 1966, and was damaged in 1983 and has since been unavailable for use. Repair of this waterline would entail the replacement of approximately 2,500 feet of existing 2-inch pipeline. To allow the repair of this pipeline, the existing line would be exposed and cut at two locations; 1) at a shore-side location located on the beach above the surf zone and 2) offshore at a point in approximately 45 feet in water depth. The existing pipeline would be left in place, within the existing pipeline bundle, and would be formally

abandoned when all of the remaining Platform Holly pipelines are abandoned at the end of the Platform Holly production life cycle.

Installation of New ESP Powerhouse on Platform Holly

This project would provide for the installation of a new Electrical Submersible Pump (ESP) power control building, to be installed on Platform Holly. Presently, oil is produced using gas lift. Venoco would like to provide for the eventual conversion of the gas lift wells to wells, which depend upon downhole ESPs for lift. The ESPs offer greater flexibility and efficiency in production lift operations. Venoco desires to provide an ESP powerhouse to provide future electrical space to accommodate the Variable Frequency Drives (VFDs) that would typically be used to support ESPs.

In order to provide enough space for the new ESP Powerhouse and associated transformers, it would be necessary to provide for expansion of the available deck space. It is proposed to plate in a portion of the existing sub-deck area, thus creating more floor space with which to set the new equipment. The structural framing required to support this deck expansion would be conducted in concert with the on-going seismic review. It is possible that Venoco may elect to substitute open deck grating in lieu of solid plating for portions of the new deck.

In addition to the proposed ESP powerhouse, it would be necessary to provide space for the step-up transformers associated with ESP wells. Step-up transformers increase the voltage output of the VFD drives (typically at 480 volts) to a voltage suitable for delivery to the ESP pump, typically between 1100 and 2400 volts.

Installation of the ESP powerhouse would require use of the existing platform crane, air tuggers, welding rigs, and use of marine vessels for delivery of components to the platform. The work is not expected to require use of any specialized heavy lift vessels or offshore cranes. Approximately 3 months is anticipated to be required for on-site installation of pre-assembled deck panels, and an additional month for on-site assembly of a shop-built ESP Powerhouse.

1.4.5 Decommissioning of the Line 96 Pipeline, EMT, and Offshore Loading Facilities

This section describes the proposed abandonment of the EMT, Line 96 pipeline, and associated facilities. Once construction of the new crude oil pipeline (Ellwood to Las Flores Canyon) is complete and the pipeline is operational, the existing EMT would be decommissioned. Abandonment of the facility would involve the following actions:

- Magnetic survey of ocean bottom.
- Abandon and remove all EMT components above and below ground.
- Abandon in place the 10-inch pipeline, Ellwood Line 96.
- Abandon in place certain portions of the 10-inch subsea cargo pipeline.
- Offshore Site Cleanup Verification - Side Scan Sonar & Remote Operated Vehicle (ROV) using video and Mesotech sonar equipment.
- Following abandonment of the EMT components, a Phase I and Phase II site assessment would be conducted. Based on the results, a site closure plan would be prepared for approval by the appropriate agencies. In addition, a Restoration Erosion Control, and Restoration Program (RECRP) would be developed for approval and implementation.

Offshore site cleanup would include recovery of items noted during the side scan and bathymetric survey conducted in September 1999. Recovery of additional items that may be identified by a magnetic survey would also be included in the cleanup plan. A magnetic survey would be performed just prior to

the cleanup activities to ensure that all man-made features present at the time cleanup activities commenced are removed from the site. Site cleanup verification would be accomplished utilizing a combination of side scan sonar and ROV (remote operated vehicles) surveys using video and Mesotech sonar equipment.

As required by the CSLC letter dated July 15, 2000, and in accordance with Marine Facilities Division Policy, all pipelines associated with the Ellwood Offshore Marine Oil Terminal (MOT) would be flushed with water in order to remove residual oil and grease to a standard of less than 15 ppm for Total Petroleum Hydrocarbons (TPH), in preparation for abandonment.

An independent third-party laboratory would be contracted to provide for sampling and testing of flush water. A sampling and testing procedure would be developed for review and approval prior to commencing any flushing operations. Samples would be grabbed by laboratory technicians or their agents, in accordance with EPA sampling protocols appropriate for the application. Samples would be laboratory tested in accordance with EPA methods, using either a fixed (office) or field laboratory. A chain of custody procedure would be developed as part of the sampling and testing procedure to allow for accurate tracking and documentation of the samples and test results.

Terminal piping (including the existing marine loading line) would be purged of oil, using seawater and nitrogen to displace oil into the EMT tankage. Temporary bypass piping would be required in order to allow for reverse flow from the marine terminal loading line backward into the existing oil storage tanks. A workboat, stationed offshore at the mooring and equipped with seawater pumps, would be used to perform the final line flush. Flexible pipeline pigs would be inserted into the end of a sub-sea pig launcher temporarily installed on the end of the pipeline. The pigs would be pushed using seawater toward the tanks. Alternately, once the line has been cleaned of oil, compressed air (provided by air compressors located on the work boat) may be used for the final line displacement. Once purged and cleaned of oil, the existing offshore EMT loading line would be filled with grout and abandoned in place, between the offshore flange connection and the minus 15-foot Mean Low Water Line. The remainder of the EMT loading line would be removed in its entirety.

After being purged of oil, the terminal piping systems would also be removed from the terminal. Temporary pumps would then be used to transfer any captured oil back towards the EOF for recovery and treating in the existing plant. Alternatively, the water may be trucked to an approved disposal site directly from the EMT. Recovered oil would be shipped out of the EOF using tanker trucks or vacuum trucks. The oil transfer pipeline (including Line 96) between the EMT and the EOF would have any remaining oil displaced using firewater and foam pigs. Finally, the firewater would be displaced from the line using nitrogen and foam pigs. After the transfer pipeline has been cleaned of oil and inerted with nitrogen, the approximate 1,103-foot long 6-inch pipeline Venoco segment connecting Line 96 to the EMT would be removed, and the remainder of Line 96 between the EMT and EOF would be isolated and left in place. This segment of Line 96 could be used in the future as a conduit for power or communications cables. Alternatively, the segment could be grout filled, using a cement slurry mixture.

Tank cleaning would then commence by degassing the tanks and flushing with seawater. Wastewater generated from tank cleaning will be recovered at the EMT and trucked to Class 1 or Class 2 disposal site. Any remaining residual oil and sludge would be tested in accordance with federal and state regulations to see if it may be beneficially recycled. Material that is deemed to be waste would be categorized as to hazardous/non-hazardous and removed and disposed of in accordance with regulations. After tank cleaning is completed, the tanks would be physically cut up and removed from the site. Steel that is removed would be recycled.

After tank removal, a Phase I and Phase II site assessment would be conducted to determine the presence and extent of contamination. Any necessary remediation of the underlying soil would take place, based on this assessment, along with removal of foundations, pipe supports, and other substructures. Erosion control and revegetation activities would then commence. The existing water connection would be protected and maintained to provide for temporary establishment and maintenance of vegetation.

The dismantling and removal of the EMT would take place in phases. Some of the phases would occur sequentially while others may occur simultaneously. The general order of removal would be 1) to flush and clean all tanks, piping, and machinery; 2) remove all piping and utilities; dismantle and remove all tanks and structures; 3) demolish and remove all foundations; 4) conduct site assessment and remediate as required; and 5) restore the site and revegetate the site to original conditions as required.

An estimated 145 round trip truck trips would be required to remove all of the materials recovered from the site. This includes truck trips to dispose of wastewater generated from flushing pipelines and tanks. Truckloads were estimated based on a single truckload of 25,000 pounds or 12.5 tons, and water trucks at 4,000 gallons per truck load. However, most of the materials are recyclable and would probably be segregated into lots, which may serve to increase the number of truck tips. With three trucks, it is expected that approximately 6 days of trucking would be required to remove all of the materials recovered from the site. The estimated number of truck trips is based on available information and is subject to change based on actual conditions.

2.0 SCOPE OF ENVIRONMENTAL IMPACT REPORT

Pursuant to the State CEQA Guidelines section 15060, the CSLC staff conducted a preliminary review of the proposed Project. Based on the potential for significant impacts, an EIR was deemed necessary. Issues to be discussed in the EIR are provided below. The EIR would also consider alternatives to the proposed Project, including the No Project Alternative, as required by the CEQA. Additional issues and/or alternatives may be identified at the public scoping meeting, in written comments, or as part of the EIR process. We invite comments and suggestions as to the following significant impacts that are proposed to be addressed in the EIR.

3.0 PERMITS AND PERMITTING AGENCIES

According to the Applicant, the Ellwood operations and associated facilities are currently in compliance with all applicable regulatory requirements. Local, State and federal agencies that have permits or approvals associated with existing operations, and that have, or may have, approval or oversight over aspects of the proposed Project, include the agencies listed below:

- California State Lands Commission (CEQA Lead Agency)
- California Coastal Commission
- California Department of Fish and Game, Office of Oil Spill Prevention and Response (OSPR)
- California Department of Fish and Game, Marine and South Coast Region
- California Department of Transportation
- California State Fire Marshall
- Central Coast Regional Water Quality Control Board
- Santa Barbara Air Quality Management District
- City of Goleta
- Santa Barbara County
- UC Santa Barbara

- U.S. Environmental Protection Agency Region IX
- U.S. Army Corps of Engineers
- U.S. Fish & Wildlife Service
- U.S. Coast Guard

4.0 ALTERNATIVES ANALYSIS

In accordance with section 15126.6 of the State CEQA Guidelines (California Governor's Office of Planning and Research 2001), an EIR must "describe a range of reasonable alternatives to the Project, or to the location of the Project, which would feasibly attain most of the basic objectives of the Project, but would avoid or substantially lessen any of the significant effects of the Project, and evaluate the comparative merits of the alternatives." The State CEQA Guidelines also require that a No Project Alternative be evaluated, and that under specific circumstances, an environmentally superior alternative be designated from among the remaining alternatives.

4.1 ALTERNATIVES PROPOSED FOR CONSIDERATION

This section includes a description of alternatives to the proposed Project that would be provided in the EIR for a comparative analysis of the potential impacts to those identified for the proposed Project.

4.1.1 Proposed Project and Application for General Plan Amendment and Rezone of the EOF

This alternative would include all the components of the proposed Project provided above (Sections 1.4.1 to 1.4.5) and include an application by Venoco to the city of Goleta to amend the general plan and rezone the EOF. This would be a requirement if the proposed upgrades as provided in the EOF Operations (Section 1.4.2) do not meet the requirements for a Limited Exception Determination (LED).

4.1.2 Oil Pipeline Installation, Power Generation on Holly, Decommissioning of the EMT

This alternative would include all the components of the proposed Project provided above (Section 1.4.1 to 1.4.5) with the exception of the proposed upgrades to the EOF Operations (Section 1.4.2). Power generation as provided in the proposed Project would be installed on Platform Holly rather than as part of the EOF Operations and there would be no upgrades to the existing EOF. The EOF, as it is currently designed and built, may have the capacity to process all of the oil and gas that would be produced from the proposed Project. This alternative may be viable should the city of Goleta determine that the proposed modifications to the EOF would not be allowed under the provisions of a LED.

4.1.3 Oil Pipeline Installation, Offshore Amine, Onshore CO₂/CARB

This alternative would decommission EMT, retain EOF as Sales Compressor Station and Oil Treating and Sweet Gas treating Unit, and move sour gas treating to Platform Holly. Sweet gas would continue to have LPGs and CO₂ removed at EOF using upgraded equipment. Oil from Platform Holly would be sent to the EOF for final oil dehydration. Sell oil through a new onshore pipeline to the All American Pipeline. LPGs to continue to be stored in bullet tanks and blended with sales oil or trucked offsite for sale. Install on-site power generation at EOF. Compress and send sales gas from EOF into The Gas Company Pipeline. Replace existing submarine power cable between EOF and Platform Holly, repair existing and damaged 2-inch utility line between EOF and Platform Holly.

This alternative is predicated upon the ability to utilize an offshore amine plant to successfully provide for offshore separation of the sulfur compounds from the produced gas stream, and to produce an acid gas stream that would be disposed of using an acid gas injection well into the Rincon formation. Due

to reservoir volume limitations, it is necessary to limit the acid gas flow stream to sulfur compounds that are removed by the amine plant, and to minimize the amount of Carbon Dioxide (CO₂) that would be injected into the Rincon formation. This requires the use of a "High Slip" amine, which permits the unhindered passage of CO₂ with the sweetened gas.

4.1.4 Oil Pipeline Installation, Offshore Amine, CARB, Dehy

This alternative would decommission EMT and EOF gas processing and retain EOF as Sales Gas Compressor Station, Oil pumping station and for Oil Sulfur Polishing. Sour gas sweetening, CO₂ removal, and CARB processing of gas would move to Platform Holly. Install power generation equipment on Platform Holly. Sell oil through a new onshore pipeline to the All American Pipeline. Compress and send sales gas from the EOF into The Gas Company Pipeline using existing compressor at EOF. Replace existing submarine power cable between EOF and Platform Holly, repair existing and damaged 2-inch utility line between EOF and Platform Holly.

4.1.5 Oil Pipeline Offshore to LFC Installation, Gas Pipeline Offshore to Las Flores Canyon

This alternative includes decommissioning EMT (including offshore mooring), EOF (except for switchgear building), and Oil Line 96. This alternative would ship oil emulsion through a new offshore oil pipeline into the existing ExxonMobil Las Flores Canyon facility. The oil destination would be the All American Oil Pipeline through existing tie-in at Las Flores Canyon. Replace existing submarine power cable between EOF and Platform Holly. Repair existing and damaged 2-inch utility line between EOF and Platform Holly.

This alternative is predicated upon the ability to utilize the existing POPCO and ExxonMobil gas and oil processing plants to successfully provide for trim separation of produced oil and for separation of the sulfur compounds from the produced gas stream, and to produce an acid gas stream that would be converted to elementary sulfur within the existing plant or with a new gas treatment facility to be built in Las Flores Canyon per Santa Barbara County consolidation policies and ExxonMobil's final development permit.

4.1.6 No Project Alternative

The No Project Alternative would be that current operations would continue as they presently exist (see Section 1.3 Setting above) and subject to the existing lease terms and conditions.

5.0 POTENTIAL ENVIRONMENTAL EFFECTS

Although the design of the double walled pipelines should reduce chances for a spill to occur and installation of a leak detection sensor would shut the wells down in the event of a pipeline leak, the CSLC, acting as Lead Agency under the CEQA, has determined that: (1) there still is a reasonable possibility of an oil spill occurring from the oil production during its lifespan; (2) such an oil spill could have a significant effect on the physical environment; and (3) other aspects of the project's construction and operations could also have a significant effect on the environment. Issues to be discussed in the EIR are described below. Proposed "Significance Criteria" that could be applied to each impact area are also listed.

5.1 ENVIRONMENTAL ISSUE AREAS

5.1.1 Visual Resources

The area in which the project is located is surrounded by a golf courses, coastal bluffs, the beach/ocean, and is considered scenic by local residents and visitors. Individuals frequenting the Ellwood area, the golf course, or in vessels close offshore may be sensitive to the visual impact of the proposed on- and offshore work and modifications to Platform Holly.

Significance Criteria

Visual impacts are considered significant if one or a combination of the following apply:

- The project is inconsistent with or in violation of public policies, goals, plans, laws, regulations or other directives concerning visual resources;
- Routine operations and maintenance visually contrast with or degrade the character of the viewshed; or
- The project results in a perceptible reduction of visual quality, lasting for more than one year that is seen from moderately to highly sensitive viewing positions. A perceptible reduction of visual quality occurs when, for a highly sensitive view, the visual condition is lowered by at least one Visual Modification Class (VMC); or for a moderately sensitive view, the condition is lowered by at least two VMCs.

5.1.2 Air Quality

The Santa Barbara County Air Pollution Control District (SBCAPCD) monitors the Ellwood oil and gas lease area. The EIR would analyze: the sources of emissions that would be associated with the proposed Project and alternatives, the types and amounts of different pollutants that could be emitted, and the duration of the impact; and, potential impacts and mitigation measures associated with odor and toxic air contaminant emissions.

Significance Criteria

The air quality impacts of the proposed Project would be significant if it:

- Contributes to an exceedance of localized Carbon Monoxide (CO) emissions in excess of the State Ambient Air Quality Standard, i.e., 20 parts per million (ppm) for 1 hour (a single event or release) or 9 ppm for 8 hours (a continuous release);
- Results in emissions which exceed the following emission thresholds: Reactive Organic Gases (ROG), 15 tons/year, 80 lbs/day, Nitrogen Oxides, 15 tons/year, 80 lbs/day, and PM₁₀ Particulates (suspended particulate matter 10 microns or less in diameter), 15 tons/year, 80 lbs/day;
- Allows uses that create objectionable odors that would be considered a nuisance under SBCAPCD Rule 303, or exceed the offsite concentrations identified in SBCAPCD Rule 310;

- Exposes sensitive receptors (including residential areas) or the general public to substantial levels of toxic air contaminants or objectionable odors; or
- Results in the accidental release of acutely hazardous air emissions.

5.1.3 Biological Resources: Marine and Onshore

Onshore sensitive biological resources include coastal scrub and wetland environments near the Ellwood onshore facilities and along the pipeline route and wintering and breeding habitat of the western snowy plover, a federally listed threatened species, along the shore line. Additionally, the project area is located near the Santa Barbara Channel (Channel), an important migration route for marine mammals, fishes and seabirds. The area also contains diverse and rich assemblages of resident marine flora and fauna. Issues associated with the Project include:

Its potential adverse effects on the on- and offshore environments in the event of an accidental oil spill or subsequent clean up activities, as well as adjacent wetland losses resulting from discharge or oil spills. There are also potential construction related impacts associated with the proposed pipeline route and decommissioning of the EMT

Significance Criteria

An impact on biological resources would be considered significant if any of the following apply:

- There is a potential for any part of the population of a threatened, endangered, or candidate species to be directly affected or if its habitat is lost or disturbed;
- If a net loss occurs in the functional habitat value of: a sensitive biological habitat, including salt, freshwater, or brackish marsh; marine mammal haul-out or breeding area; eelgrass; river mouth; coastal lagoons or estuaries; seabird rookery; or Area of Special Biological Significance;
- There is a potential for the movement or migration of fish or wildlife to be impeded; or
- If a substantial loss occurs in the population or habitat of any native fish, wildlife, or vegetation or if there is an overall loss of biological diversity. Substantial is defined as any change that could be detected over natural variability.

5.1.4 Commercial and Sports Fisheries

The marine resources in the Santa Barbara Channel support commercial fisheries, mariculture, and kelp harvesting.

The following significance criteria will be used to assess the impacts of construction, operation, and accidents from the proposed Project and alternatives.

Significance Criteria

An impact would be considered significant if:

- fishing opportunities are lost or displaced due to marina or fishing access closures; adverse effects on fish and habitat; or equipment or vessel loss, damage, or required subsequent replacement.

5.1.5 Mineral Resources/Energy

The proposed Project or alternatives have the potential to affect energy and mineral resources.

Significance Criteria

A significant impact would occur if the project would:

- Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state;
- Conflict with the adopted California energy conservation plans; or
- Use non-renewable energy resources in a wasteful and inefficient manner.

5.1.6 Geological Resources

The Ellwood facilities are located on a coastal marine terrace and include a series of east-west elongated folds and high angle reverse and strike-slip faults, including the active More Ranch Fault. The facilities of the proposed project may be susceptible to damage resulting from an earthquake on this fault or from several other faults active in the area. Seismically induced ground failure or other geologic hazards, such as corrosion or excessive coastal erosion, could result in an oil spill. Remediation of such spills would, in turn, potentially cause soil erosion induced water quality impacts to nearby Devereux Slough and the Pacific Ocean from the offshore facilities and local creeks and drainages from the onshore facilities.

Significance Criteria

Seismic effects could result in significant hazards to structures when facility design or construction is insufficient. Impacts are considered significant if any of the following conditions apply:

- Settlement of the soil that could substantially damage structural components of the Ellwood oil and gas facilities;
- Ground motion due to a seismic event that could induce liquefaction, settlement, or a tsunami that could damage structural components;
- Deterioration of structural components of Ellwood oil and gas facilities due to corrosion, weathering, fatigue, or erosion that could reduce structural stability; or
- Damage to petroleum pipelines and/or valves along the pipelines from any of the above conditions that could release crude oil into the environment.

5.1.7 Hazards and Hazardous Materials

This section would describe those aspects of the existing environment and structural integrity of the facilities that may impact operational safety, or that may be affected by an accident associated with the operation of the proposed Project, including the transportation of crude oil and petroleum products to and from the on- and offshore facilities. Additionally, handling petroleum products has an inherent risk of accidents that may involve fire, explosions and/or spills. The EIR would address the potential adverse

health consequences, e.g., exposure to toxic and hazardous substances, fire, explosions or spills in conjunction with continued use of the facility. The analyses would include:

- Evaluation of the risk of an accident/explosion and release of hazardous substances and the impact on plant and animal life;
- Evaluation of the human and technological safety of the offshore platform, on- and offshore pipelines, and processing facility operations;
- Evaluation of the Project's oil spill prevention and response and hazardous materials plans and their effectiveness, with emphasis on prevention, equipment and deployment capabilities and procedures; and
- Modeling of the spread of an oil spill, which could occur, and evaluation of its potential impact on plant and animal life under different ocean and stream current conditions and seasonal variations.

Significance Criteria

A hazards and/or hazardous materials impact is considered significant if any of the following apply:

- If the existing facility does not conform to its oil spill contingency plans or other plans that are in effect; or if current or future operations may not be consistent with federal, state or local regulations. Conformance with regulations does not necessarily mean that there are not significant impacts;
- There is a potential for fires, explosions, releases of flammable or toxic materials, or other accidents from the wells or pipelines that could cause injury or death to members of the public; or
- Existing and proposed emergency response capabilities are not adequate to effectively mitigate spills and other accident conditions.

Although the potential for oil or product spills would be discussed in this section, the potential impact of spills would also be analyzed in other, appropriate resource-related sections e.g., marine biology, water quality, land and recreation uses.

5.1.8 Hydrology, Water Resources and Water Quality

The significance of impacts would be considered in the context of whether the proposed Project construction and its operations or alternatives would likely result in pollutant levels above ambient water quality and sediment levels that would exceed water quality objectives of the Central Coast Regional Water Quality Control Board or the State Water Resources Control Board.

Continued and increased oil production could result in oil spills due to geologic hazards, mechanical failure, structural failure, or human error. Such spills could potentially result in water quality impacts to the beach, shallow groundwater, Pacific Ocean, and coastal stream and drainages. Potential impacts to the marine environment include increased water column turbidity and the introduction of toxic contaminants into the water column.

Significance Criteria

Impacts to marine and freshwater water quality are considered significant if any of the following apply:

- The water quality objectives contained in the Water Quality Control Plan for the Central Coast are exceeded;
- The water quality objectives in the California Ocean Plan (SWRCB 1997) are exceeded;
- The water quality criteria in the Proposed California Toxics Rule (EPA 1997) are exceeded;
- Project operations or discharges that change background levels of chemical and physical constituents or elevate turbidity producing long-term changes in the receiving environment of the site, area, or region, thereby impairing the beneficial uses of the receiving water occur; or
- Contaminant levels in the water column, sediment, or biota are increased to levels shown to have the potential to cause harm to marine organisms even if the levels do not exceed formal objectives in the Water Quality Control Plan.

5.1.9 Land Use, Planning and Recreation

Each of the components of the proposed Project and alternatives would be examined in light of existing and planned land uses in the Goleta and Santa Barbara County coastal area, including existing and potential coastal and water-related recreational use.

Significance Criteria

Land use/recreational impacts would be considered significant if the project would result in the following:

- Conflicts with adopted land use plans, policies, or ordinances;
- Result in conflicts with planning efforts to protect the recreational resources of the project area;
- Incompatible adjacent land uses as defined by planning documentation; or
- Residual impacts on sensitive shoreline lands, and/or water and non-water recreation due to a release of oil.

5.1.10 Noise

Noise from the EOF and Platform Holly is not expected to exceed present level of its existing operations. Construction of the new pipeline and decommissioning of the EMT may temporarily generate noise to sensitive receptors until the work is completed. The EIR will examine changes in noise emissions at the various facilities and the potential impact of noise from all components of the proposed Project and alternatives.

Significance Criteria

A noise impact is considered significant if:

- Noise levels from project construction activities or operational use exceed criteria defined in a noise ordinance or general plan of the local jurisdiction in which the activity occurs or may have direct or indirect affects.

5.1.11 Fire Protection/Emergency (Oil Spill) Response

The CSLC has determined that there is a reasonable possibility of an oil spill occurring from any of the facilities associated with the proposed Project and alternatives during its projected operational life. This could have a significant effect on the physical environment and require additional fire protection and emergency response services.

Significance Criteria

Impacts to fire protection and emergency response services would be considered significant if:

- Continued operation of the project creates the need for one or more additional personnel to maintain the current level of fire protection and emergency response services.

5.1.12 Transportation

The proposed Project and alternatives will temporarily increase truck traffic during construction of the new pipeline and decommissioning of the EMT. The EIR will examine the potential impacts of this increased traffic on State Route 101 and other local roads.

Significance Criteria

Traffic impacts would be considered significant if:

- The proposed Project or alternatives cause a roadway to become degraded to a lower Level of Service (LOS) from its present LOS.

5.1.13 Cultural Resources

The operation and maintenance activities of the proposed Project and alternatives will mostly be restricted to the portions of existing industrial facilities, i.e., EOF and Platform Holly; nonetheless, there is a potential for operation and maintenance-related impacts to cultural resources that may be located in nearby areas. Other project components where new construction is proposed, such as the pipeline to Las Flores Canyon or where pipeline segments are to be removed, may have construction related impacts to cultural resources that may be located within the proposed pipeline route. The EIR will examine the potential for any such impacts.

The State CEQA Guidelines (section 15064.5) define "historical resources" as follows:

Any object, building, structure, site, area, place, record, or manuscript which a lead agency determines to be historically significant or significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California may be considered to be an historical resource, provided the lead agency's determination is supported by substantial evidence in the light of the whole record. Generally, a resource shall be considered by the lead agency to be "historically significant" if the resource has integrity and meets the criteria for listing on the California Register of Historical Resources as follows:

- Is associated with events that have made a significant contribution to the broad patterns of California's history and cultural heritage;
- Is associated with the lives of persons important in our past;
- Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or
- Has yielded, or may be likely to yield, information important in prehistory or history.

Significance Criteria

Thresholds of significance for cultural resource impacts for the project are defined as situations where construction or operation of the project could:

- Result in damage to, the disruption of, or adversely affect a property that is listed in the California Register of Historical Resources (CRHR) or a local register of historical resources as per Section 5020.1 of the Public Resources Code;
- Cause damage to, disrupt, or adversely affect an important prehistoric or historic archaeological resource such that its integrity could be compromised or eligibility for future listing on the CRHR diminished; or
- Cause damage to or diminish the significance of an important historical resource such that its integrity could be compromised or eligibility for future listing on the CRHR diminish.

5.2.14 Environmental Justice

The CSLC developed and adopted an Environmental Justice Policy to ensure equity and fairness in its own processes and procedures. This policy stresses equitable treatment of all members of the public and commits to consider environmental justice in its processes, decision-making, and regulatory affairs which is implemented, in part, through identification of, and communication with, relevant populations that could be adversely and disproportionately impacted by CSLC projects or programs, and by ensuring that a range of reasonable alternatives is identified that would minimize or eliminate environmental impacts affecting such populations.

This portion of the EIR would analyze the distributional patterns of high-minority and low-income populations on a regional basis. The analysis would focus on whether the proposed Project's impacts would have the potential to affect an area(s) of high-minority population(s) and low-income communities disproportionately, thereby creating an environmental justice impact.

Significance Criteria

An environmental justice impact would be considered significant if the proposed Project or alternatives would:

- Have a potential to disproportionately impact minority and/or low-income populations at levels exceeding the corresponding medians for the County in which the project is located; or

- Result in a substantial disproportionate decrease in the employment and economic base of minority and/or low-income populations residing in the County and/or immediately surrounding cities.

6.0 CUMULATIVE EFFECTS

In accordance with the CEQA section 15130, the EIR would discuss the cumulative impacts of the proposed Project and address the likelihood of occurrence and severity of the potential impacts. The EIR would discuss other oil production operating in the area, foreseeable projects in the general vicinity, and projects in or near project area.